

Company Business

Dr. Agarwal's Health Care Limited provides a comprehensive range of eye care services. These services include:

- ✦ Cataract, refractive, and other surgeries.
- ✦ Consultations, diagnoses, and non-surgical treatments.
- ✦ Sales of opticals, contact lenses and accessories, and eye care-related pharmaceutical products.

According to the CRISIL MI&A Report, company had a market share of approximately 25% of the total eye care service chain market in India during the Financial Year 2024.

Positive and Negative Points

Positive

- ✦ **Established Brand** : Dr. Agarwal's is a well-known name in eye care with a long history.
- ✦ **Comprehensive Services** : The company offers a wide range of eye care services, from surgery to optical sales.
- ✦ **Growth Potential** : The Indian healthcare sector is growing, providing good potential.
- ✦ **Experienced Promoters** : The promoters are doctors with experience in the field of ophthalmology.
- ✦ Positive operating cash flows and high cash conversion ratio.

Negative

- ✦ **Lower Profitability Compared to Peers** : The company has a lower RoNW than some of its listed peers.
- ✦ The major part of the IPO is an Offer for Sale (OFS), and the **promoters are exiting at a very high valuation.**
- ✦ **Contingent Liability** of Rs. 29.46 Cr.

IPO Details

- ✦ The IPO is a combination of a **fresh issue and an offer for sale.**
- ✦ The **fresh issue** is up to ₹300 Cr..
- ✦ The **offer for sale** is up to 6,78,42,284 equity shares-Rs.2,727 Cr..
- ✦ The equity shares are proposed to be listed on BSE and NSE.
- ✦ The IPO opens on January 29, 2025, and closes on January 31, 2025.
- ✦ The Book Running Lead Managers (BRLMs) are:
 - Kotak Mahindra Capital Company Limited
 - Morgan Stanley India Company Private Limited
 - Jefferies India Private Limited
 - Motilal Oswal Investment Advisors Limited

Objects of the Issue

The company plans to use the net proceeds from the fresh issue for the following purposes:

- ✦ Repayment/prepayment of certain borrowings (**₹19.50 crore**).
- ✦ General corporate purposes and unidentified inorganic acquisitions.

Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	820.06	1332.15	1017.98	696.07
Growth in Revenue		30.86%	46.25%	
EBITDA	228.47	406.55	283.86	199.82
EBITDA Margins	27.27%	29.54%	27.52%	27.99%
PAT	39.56	95.05	103.23	43.16
PAT Margins	4.72%	6.91%	10.01%	6.05%
ROCE		14.61%	15.18%	15.02%
CFOA	201.97	345.95	233.10	164.32
Operating Cash Flow to EBITDA	88.40%	85.10%	82.12%	82.24%

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Dr. Agarwal's Health Care (FY 2024)	1332.15 Cr.	29.54%	6.91%	0.24	12,698 Cr.	133
Apollo Hospitals Enterprise Limited (TTM)	20,469 Cr.	13%	5.98%	0.98	96,522 Cr.	81.60
Max Healthcare Institute (TTM)	6,008 Cr.	27%	17.62%	0.20	99,517 Cr.	94
Fortis Healthcare (TTM)	7,313 Cr.	20%	9.62%	0.15	44,743 Cr.	65
Global Health (TTM)	3,463 Cr.	23%	14.09%	0.22	27,325 Cr.	56
Narayana Hrudayalaya (TTM)	5,224 Cr.	23%	14.91%	0.53	26,364 Cr.	33.9
Krishna Institute of Medical Sciences (TTM)	2,705 Cr.	26%	13.45%	0.89	23,626 Cr.	71.30
Aster DM Healthcare (TTM)	4,017 Cr.	17%	13.6%	0.56	24,214 Cr.	87.90
Rainbow Children's Medicare (TTM)	1,425 Cr.	33%	16.28%	0.57	14,042 Cr.	60.60



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